

**BILL #** HB 2117

**TITLE:** military license plates; disabled plates

**SPONSOR:** Carruthers

**STATUS:** As Introduced

**REQUESTED BY:** House

**PREPARED BY:** Bob Hull

	<b>FISCAL YEAR</b>		
	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>EXPENDITURES</b>			
State Highway Fund	\$-0-	Up to \$111,500	\$-0-
<b>REVENUES</b>			
State Highway Fund	\$-0-	\$(1,400)	\$(1,400)

### **FISCAL ANALYSIS**

#### **Description**

The bill would require that any special license plates with a disability symbol, including but not limited to honored military license plates, can only be charged a special plate fee and not an additional \$25 annual personalized plate fee for the disability symbol. Honored military license plates include congressional medal of honor, former prisoner of war, pearl harbor survivor, and purple heart medal plates.

#### **Estimated Impact**

The bill would decrease annual revenue \$(3,200) to the Highway User Revenue Fund (HURF) beginning in FY 2004, including annual decreases of \$(1,400) to the State Highway Fund and \$(1,800) to local governments. This is based on ADOT's report that there are currently 127 special plates which would be covered by the bill.

The Arizona Department of Transportation (ADOT) estimates the bill's impact to be a one-time cost of \$111,500 in FY 2004 to the State Highway Fund for programming and new forms. ADOT, however, may be able to absorb this cost as its budget already includes funding for unspecified computer projects.

#### **Analysis**

ADOT currently charges an annual \$25 personalized plate fee (in addition to a special plate fee) for special plates with a disability symbol, if ADOT does not produce such a special plate as a stock inventory item. The bill would require that ADOT not charge an additional annual \$25 personalized plate fee for these plates. There were 75 special plate customers in this category as of December 31, 2002. Under the bill, there would be an annual decrease of \$(1,900) revenue to the HURF for these 75 plates.

The bill would categorize any special plate with a disability symbol as not being a personalized plate. In addition to the 75 special plates above, there were 52 veteran personalized plates with a disability symbol, as of December 31, 2002. These 52 veteran plate customers pay an additional \$25 annual personalized plate fee for the personalization of the plate, not for the disability symbol (since ADOT produces veteran special plates with a disability symbol as a stock inventory item). Under the bill, there would also be an annual decrease of \$(1,300) revenue to the HURF for these 52 plates, since the bill would no longer categorize them as personalized due to the presence of a disability symbol on the plates.

(Continued)

## **Analysis (Cont'd)**

ADOT estimates one-time first year expenditures of \$111,500 from the State Highway Fund, including \$108,000 for programming and \$3,500 for new forms. ADOT reports that they would have to change the programming for about 30 different types of license plates to be able to identify plates with disability symbols. ADOT reports that they usually contract out this type of programming. The \$108,000 includes \$3,200 for 40 hours at \$80/hour for a senior analyst, \$58,500 for 900 hours at \$65/hour for a programmer, \$43,200 for 1,800 hours at \$24/hour for a business process analyst, and \$3,100 for overhead at 3%. We cannot verify ADOT's cost estimate. However, we believe that ADOT should be able to absorb the programming cost, since ADOT's Motor Vehicle Division was appropriated an increase of \$929,200 from the State Highway Fund and 3 FTE Positions in FY 2003 for special computer projects. In addition, ADOT's Motor Vehicle Division had \$5,787,200 of non-lapsing appropriations for unspecified security enhancement issues and to upgrade computer equipment, which was unexpended and unencumbered as of October 2002.

ADOT also reports that they will have to redesign certain special plates to make sufficient room for a disability symbol, including congressional medal of honor, former prisoner of war, pearl harbor survivor, alternative fuel, and all collegiate plates. ADOT would expect to use the new design on future plates, instead of doing a plate replacement.

ADOT reports that there were 68,884 special plates, which did not have disability symbols as of December 31, 2002. Under the bill, some unknown increased number of these special plate customers may request special plates with a disability symbol due to the removal of the additional \$25 annual personalized plate fee.

The bill would have a general effective date. It is assumed that the new system would become effective in FY 2004.

## **Local Government Impact**

Local governments would have an annual decrease of \$(1,800) in their Highway User Revenue Fund distributions beginning in FY 2004, including decreases of \$(1,000) to cities, \$(600) to counties, and \$(200) to controlled access highways in Maricopa and Pima counties.

2/24/02